

Finances at Dalhousie University:

Understanding the Past, Securing the Future

A Report of the Ad Hoc Financial Planning Committee of
the Board of Governors

September 2019

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Foreword to the Report of the Ad hoc Financial Planning Committee

In April 2017, the Ad Hoc Financial Planning Committee (AHC) was established to assess the financial situation at Dalhousie University, and chart a path forward for the institution at a time of challenge and change. This report, *Finances at Dalhousie University: Understanding the Past, Securing the Future*, is the outcome of that mandate. Its publication marks the first time that a committee of the Board of Governors has undertaken a comprehensive examination of University finances since 2006.

Much has changed in the intervening 12 years. The University's relationships with stakeholders have grown more complex; the university community is more diverse and more international; students themselves are more globalist in outlook; and the financial path forward has become more difficult to chart given the current cost structure, and the pressures relating thereto created by revenue constraints.

At the same time, international and national competition for enrolment has intensified, even as university "product offerings" have multiplied. Universities are expanding their reach in a variety of ways. For instance, a global powerhouse like MIT has attracted an astounding 1.2 million online enrolments to a single course (*Introduction to Computer Science using Python*) since 2012. The AHC cites the MIT example only to underscore one key conclusion of this report: To succeed financially, Dalhousie must establish appropriate enrolment targets and find new ways to generate revenue over the next five years – and do so inside a tough competitive environment for quality students and excellent faculty and staff.

Fortunately, Dalhousie has laid the foundation for success by clearly stating its purpose, defining its Strategic Direction, and acting on the financial principles by which it manages its affairs. The University's Vision states, "We are a leading innovative, research-intensive university, inspiring our diverse scholarly community to serve Nova Scotia, our region, and our world."

That vision statement guided the AHC's work and recommendations, as did Dalhousie's Mission. That Mission is focused on teaching and learning excellence, world leading research and innovation, and connection to community. This report respects the other principles which guide the work of the University's Budget Advisory Committee (BAC): The budget must be balanced; the University must be financially sustainable going forward; and all recommendations are transparent. As part of the committee's review it has also worked to ensure the viewpoints of various stakeholders have been considered.

One key recommendation of this report is that Dalhousie strike a new partnership with the Government of Nova Scotia. This partnership should reflect the important synergies between Dalhousie and the province. Dalhousie plays a unique and crucial role in Nova Scotia's economy and culture through its graduate programs, its professional Faculties, and its world class researchers.

Since the 2006 report the AHC has found that Dalhousie has succeeded in balancing its budget by increasing revenues and prudently managing spending. On the revenue side, Dalhousie increased enrolments largely by recruiting students internationally; introduced moderate and consistent tuition fee adjustments; increased its endowment; raised more money through fundraising; attracted additional external investment for research; and generated revenues in Faculties and service units by introducing non-traditional programs.

On the expenditure side, Dalhousie has trimmed energy and utility costs significantly through a sustainability program, and managed Faculty and service unit budgets on an annual basis within the context of a competitive compensation environment.

As we look to the future these measures must be augmented and adapted to ensure Dalhousie maintains a stable and sustainable financial base that will allow the institution to build on its past performance. Continuation of the status quo is an obstacle for Dalhousie to achieve its potential and to allow it to fully align and support the Province's social and economic agenda.

There are growing pressures in the sector and Dalhousie, like all universities in Nova Scotia, has been buffeted by these changes including restricted adjustments to operating revenues since a committee of the Board of Governors last reported in 2006. Since then the former Provincial Government imposed a 10 per cent funding cut on unrestricted operating grants for universities and more recently annual increases in operating grants have been held to one percent. Today, Dalhousie's annual unrestricted operating grant is \$10 million less than it was in 2010-11 and since then, inflation has risen 15 per cent cumulatively. This trend is not sustainable if Dalhousie is to maintain its current scope of programs, and certainly not if the institution targets growth in research and post-graduate programs as is contemplated.

To achieve its objectives Dalhousie has two very clear options – to alter the current expenditure trend or create a revenue plan that supports our aspirations. This report focuses on the latter. The University must significantly increase the revenue it generates from the two major sources – the provincial operating grant and tuition, and importantly, also identify and aggressively pursue alternative sources. The current funding arrangement, which puts Dalhousie in an inherently restrictive financial position, must be adapted to reflect today's reality.

The AHC appreciates that the Government of Nova Scotia faces difficult fiscal challenges and the Committee would like to stress that the report censures neither the Government of Nova Scotia nor the University. But as this report makes clear, the circumstances in which Dalhousie operates and competes have changed dramatically. The time is now, then, to update and renew the relationship between Dalhousie University and the Province, its most important partner in the delivery of quality university education in Nova Scotia.

The way forward includes raising significant revenues through modest enrolment growth and general tuition increases and from intensified fundraising efforts and new revenues from program and service initiatives. The AHC has made important recommendations in each of these areas.

We are confident the recommendations in this report can be achieved. A cornerstone of this renewed role is the striking of an updated partnership that meets the future needs of the province and its people. With this support and success in its other initiatives under this plan Dalhousie will increase its revenue base by \$97 million from all recommendations to \$525 million¹.

The underlying goal is to build enough financial capacity to meet the shared strategic goals of the Province and Dalhousie by providing, for instance, more assistance to students who would otherwise be unable to obtain post-secondary education, by educating more graduates and by increasing research in fields that

¹ As in any exercise to predict future outcomes, recommended actions will produce results that vary from those forecast in this report.

will be cornerstones of ongoing economic growth in the province. Dalhousie has never been more closely aligned with Provincial Government Policy, particularly regarding attracting talented newcomers to the province and building Nova Scotia's knowledge-based economic sectors.

To conclude this forward, I would like to thank both fellow Committee members and the many staff members at Dalhousie University for their input, knowledge and learned counsel as we worked to complete this report.

Aubrey Palmeter
Chairperson
On behalf of the Ad Hoc Financial Planning Committee

1. INTRODUCTION

Dalhousie University has experienced a transformative period of growth and change since an Ad Hoc Committee (AHC) of the Board of Governors last reported comprehensively on University finances in November 2006. The purposes of the new report, *Finances at Dalhousie University: Understanding the Past, Securing the Future*, are to summarize Dalhousie's current financial situation; to assess its financial opportunities and risks; and to advise the University administration on how best to secure a healthy financial future as the institution enters its third century of history. In completing this report, the Committee also took steps to ensure its recommendations align with the University's Strategic Direction, which emphasizes Teaching and Learning; Research; Service; Partnerships and Reputation, and Infrastructure and Support.

The AHC's work was also completed in what one committee member captured in the word 'sankofa' - taken from the Twi language of Ghana, the word refers to looking back to the past to help find a path to the future. The Committee was also of the view that it is very important for the University to take a forward-looking view, to make a deliberate effort to embrace change and to pursue opportunities in a world that is ever changing. The recommendations contained in this report reflect these views.

FINANCIAL FOUNDATION: 'Understanding the Past'

Since an Ad Hoc Committee last reported, enrolment at Atlantic Canada's leading university has increased 21%. (Amalgamation with the Nova Scotia Agriculture College accounted for 5% of that growth.) Dalhousie's enrolment record defied demographic trends; fewer and fewer Canadian high school students are graduating each year as the nation's cohort of "echo boomers" enters adulthood. In this context, the University was successful – and had to be successful - in attracting additional international students. Back in 2006, international enrolment accounted for 8% of students. Today, international students account for 20.4% of student enrolment.

There was also significant progress in supporting Dalhousie's students over the past 12 years, as operating funds devoted to that purpose jumped 142% to \$34.2 million annually. Overall, the University raised an additional \$420.5 million through fundraising, including \$133.5 million in endowed gifts. Annual endowment program support rose 80% to \$24.2 million annually. To facilitate its growing enrolment, Dalhousie also constructed new buildings, renovated older ones, and introduced new state of the art classroom and research spaces in several faculties.

During this expansion, the University's Faculties and service units played crucial roles in keeping Dalhousie's budget balanced. Faced with pressure to reduce spending annually, Faculties and service units implemented \$57.9 million in budget cuts over a ten-year period. Sustainability initiatives alone trimmed utility costs for water, electricity and fuel by an estimated \$22 million over that period.

Departments also saved money by sharing support staff, reducing the costs of externally-contracted services, and trimming budgets for a wide range of non-compensation expenditures (e.g. postage and mailing). The challenge of meeting budget targets was complicated by the fact that compensation costs for staff and faculty were (and are) set under collective bargaining agreements. Faculties and service units also adapted by raising additional revenue on their own initiatives. Over a ten-year period ending in 2017-18, these Faculty and unit revenues (from premium fee programs, for instance) increased 73% to \$91 million.

Dalhousie's financial performance is also linked inextricably with the quality of its faculty members - with their ability to attract Canadian and international students. Fortunately, the University can boast an honor roll of top researchers and teachers. Since 2015, faculty and alumni have received multiple national and international awards, including the 2015 Nobel Prize in physics awarded to Dalhousie alumnus Arthur McDonald. Compared to a decade ago, Dalhousie now educates more physicians, more nurses, more engineers and information technology professionals to meet pressing demands in Nova Scotia's society and economy.

Dalhousie's graduates have helped advance Halifax as a leader in oceans research, engineering, and IT in Atlantic Canada. Dalhousie is also an important partner in Atlantic Canada's Ocean Supercluster Partnership. As a member of Canada's U15 group of top research universities, Dalhousie has been successful in securing new research and innovation investment. The University's Ocean Frontier Institute, an international hub for ocean science research, has itself attracted ten years of funding valued at \$220 million. The potential of our province and region is immense and now work remains to fulfil that potential.

The Ad Hoc Committee notes that Dalhousie has guided its growth (in a period of constrained government support) while bringing in 31 successive balanced budgets. Indeed, operating grants to Dalhousie (and other universities) have decreased 5.3% since 2010-11, while Dalhousie's enrolment has grown by 9.5%. This decrease in the single largest source of funds to Dalhousie stems largely from a 10% reduction in funding over three years imposed by a former government. The current Memorandum of Understanding (MOU) with the Provincial Government limits increases in operating grants to 1% annually. This poses a significant challenge to Dalhousie, which educates a significant proportion of students in higher cost programs like medicine, dentistry, nursing and physiotherapy.

To secure appropriate funding the AHC recommends that Dalhousie continue to demonstrate that increased funding to the University is in the public interest. After all, Dalhousie shares a problem common to all universities across Nova Scotia – its expenses are increasing more quickly than its main source of revenue. Dalhousie's unrestricted operating grant today is almost \$10 million less than it was in 2010-11 before inflation. (Over that same time span, inflation increased cumulatively by 15%.) For this reason, government funding has decreased from 60.1% of Dalhousie's total funding to 50.7%. If this trend continues, it will be difficult, if not impossible to maintain balanced budgets while retaining and attracting the best and the brightest students to the institution.

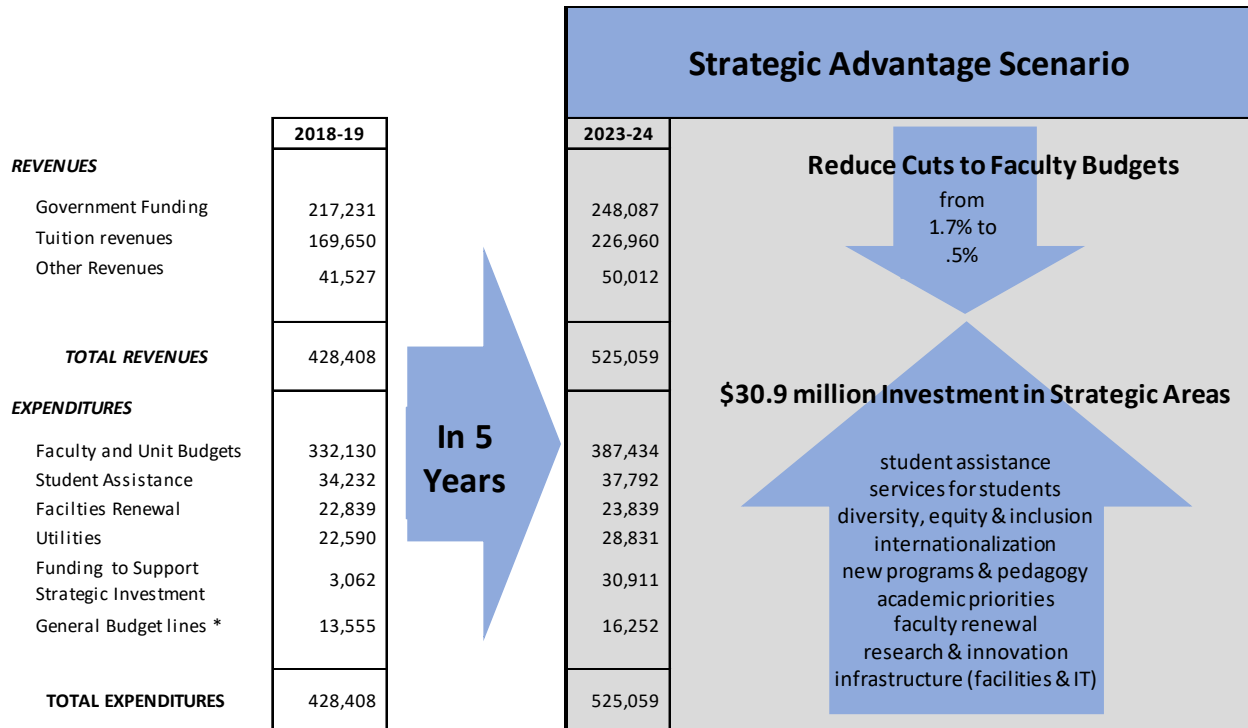
To secure a stable financial future Dalhousie must strike an even stronger partnership with the Province of Nova Scotia, which includes a new funding arrangement. The status quo, with modest increases to the University operating grant trailing both inflation and annual increase in Dalhousie's costs, is clearly unsustainable. If provincial operating grants and tuition increase by 1% and 3 % respectively this equates to an overall revenue increase of about 1.6%; well below increases in costs. Hence a budget scenario relying on 1% growth in provincial operating grants would lead to average base reductions to Faculties and units of 1.7%.

In this context, this Committee believes 3% annual increases to Dalhousie's grant funding are warranted and appropriate (a more detailed discussion of the ways in which funding could be provided is found in the recommendations on page 7). This would yield \$31 million in additional revenue by 2023-24. It should be noted, at the same time, that this Committee is asking Dalhousie to raise revenue even more significantly, through endowment funding and tuition.

STRATEGIC INVESTMENT: 'Securing the Future'

An important goal of the recommendations in this report is to build enough financial capacity to meet the shared goals of the Province and Dalhousie by providing financial resources for strategic investment.

Under the proposals outlined in this report, Dalhousie would increase its revenue base by \$97 million to \$525 million overall in 2023-24. (See chart below.) This growth would be comprised of funding from proposed increases in provincial operating grants of \$31 million, tuition from enrolment growth of \$21 million, revenue from 3% tuition fee increases of \$29 million, tuition from differential fee increases of \$7 million and growth in endowment income and other revenue of \$9 million. Annual funding to invest in strategic areas would increase tenfold to \$31 million under this scenario.



* includes library, space commitments, IT Infrastructure etc.

All the strategic initiatives described in this graphic would positively impact the provincial economy and are aligned with public policy. The following summary describes priority areas for investment with further details and recommendations are discussed throughout the report:

- **Student assistance:** Improve access to education (including for under-represented communities) and to support recruitment.
- **Services for students:** New and improved services are required for a growing student population with diverse needs (e.g. mental health, language supports)
- **Equity, Diversity, and Inclusion:** Dalhousie seeks to be a leader in this area and investment is needed to support this goal.
- **Internationalization:** As international enrolment grows, and the University becomes more engaged with the global community, this will be an area requiring focused support.

- **New programming and pedagogy:** Support new and evolving programs that are relevant to student interests and align with provincial goals.
- **Academic priorities:** Support for innovative teaching and learning ideas and opportunities for revenue generation in Faculties.
- **Faculty renewal:** Continuing to attract exceptional faculty is a significant driver of institutional success.
- **Research and innovation priorities:** As a leader in this area, the University wishes to increase and advance the research enterprise, and to foster an environment for continued innovation. Both priorities drive significant economic activity in the province.
- **Infrastructure (facilities and IT):** To be successful the University needs to continue to improve facilities to meet the needs of an evolving and diverse student population, and to facilitate important research. This requires funding at an appropriate level.

Additional priorities may also emerge over the planning period that will deserve support. Importantly, the Strategic Advantage Scenario also allows Faculties significant relief from decades of annual budget reductions to allow them the fiscal capacity to innovate and advance new initiatives.

The incremental revenue in the scenario, plus the forecast \$30 million in additional direct research spending over the next five years, would have a significant positive effect on provincial GDP. Assuming a conservative economic multiplier of three times, this revenue would generate almost \$400 million in economic activity in the province. A targeted enrolment growth of 1,600 international students would also make a substantial contribution to Nova Scotia's cultural life and economy.

2. FINANCIAL PLANNING GUIDELINES

The financial guidelines outlined below are foundational for the University, as they were for the AHC in its deliberations.

- The AHC supports the following principles that guide the Budget Advisory Committee (BAC) as it develops recommendations on the Operating Budget:
 - The operating budget is driven by Dalhousie's Mission and Strategic Direction
 - The operating budget must be balanced.
 - University financial affairs must be sustainable.
 - Recommendations on the operating budget plan are transparent.
- The AHC recommends the University continue to maintain a level of central budget reserve to mitigate the immediate impact of unforeseen significant events which pose risk to the annual operating budget. The level of such reserves should be considered by the BAC.
- Deans are responsible for leading and directing the operations of their Faculties, including the best use of resources entrusted to them, aligned with academic plans and priorities, and informed by assessment of risks, opportunities and commitments. To this end, the AHC endorses the University policy on Operating Budget Carry Forward which supports Faculties in managing financial risks and opportunities.

3. REVENUES

Dalhousie depends on government grants and tuition for 90.3% of the general revenue which supports the operating budget. Both sources of funding are governed by a MOU with the Government of Nova Scotia, which establishes the level of direct support from the province. The current MOU, in effect until the end of 2018-19, also caps tuition fee adjustments. Dalhousie's remaining revenue (9.7%) comes from various sources, most importantly from its endowment funds.

PROVINCIAL OPERATING GRANT

Dalhousie's largest single source of revenue is the annual operating grant from the Province of Nova Scotia. Dalhousie currently educates 42.4% of students in Nova Scotia universities and receives \$206 million per annum in operating grants. Annual grant increases to the University in each of the last five years (1%) are not adequate to cover Dalhousie's annual cost increases. In this Committee's view, Provincial Government funding should better reflect the high cost of educating students from Dalhousie's professional and graduate programs. Alumni from these programs make a valuable contribution to Nova Scotia, in fields including health care, medical and scientific research, information technology, law, business and engineering.

The Ad Hoc Committee recognizes that government wants to contain costs in a pressured fiscal environment. Still, the impact of this approach has had a challenging and sometimes disproportionate impact on Dalhousie for the following reasons:

- Unrestricted Operating grants to Dalhousie (and other universities) have decreased by 5.3% since 2010-11. This is largely a result of a one-time 10% reduction in funding to Nova Scotia universities imposed by a former government during the period 2011-12 to 2013-14. The current MOU has limited increases to 1% annually since 2014-15. The University's operating grant is currently about \$10 million less than it was in 2010-11 (without accounting for inflation or increased enrolment.) The outcome of these funding arrangements poses a significant challenge to Dalhousie, which educates a higher proportion of graduate and professional students than any other institution in Nova Scotia. The cost of educating such students is significantly higher than for undergraduates.
- Provincial funding does not take into consideration Dalhousie's enrolment growth. Overall Nova Scotia university system enrolments have grown by just 1.2% since 2004-05 (the last year of enrolments factored into funding) while Dalhousie's enrolment has jumped 21%. These enrolment changes are not factored into provincial operating grant funding. This equates to a shortfall of roughly \$20 million in annual funding (not accounting for inflation and in addition to the decline of \$10 million in grant reductions) for enrolment growth since 2004-05, the last time enrolments were considered in university funding.

Due to these factors, the provincial government grant now accounts for only 50.7% of Dalhousie's operating budget in the current fiscal year, compared to 60.1% in 2010-11. On a per student basis, average government funding at Dalhousie decreased by \$1,500 (before inflation) between 2010-11 and 2017-18. It should be stressed that Dalhousie welcomes and appreciates the additional provincial support it has received for important capital infrastructure, including an expansion and renewal of the Dalhousie Arts Centre.

CURRENT APPROACH TO THE FUNDING CHALLENGE

Dalhousie currently participates in funding discussions with the Province along with all Nova Scotia universities. The common goal is to secure sustainable and appropriate provincial funding to the university sector. Achieving this goal is the best way that the universities of Nova Scotia can mitigate risk going forward.

Securing incremental funding from the Province is challenging for the following reasons:

- The current trend across North America is to transfer an increasing portion of the cost of post-secondary education to the student and away from the public sector.
- The Province of Nova Scotia faces serious financial pressure to increase funding for Health Care and P-12 Education. Funding for post-secondary education has received less public attention and focus.

The Province would also be aware of the anticipated impact of rising interest rates on its fiscal situation and spending capacity. The Province has signaled its commitment to a balanced budget. Still, the current MOU with the Province (stipulating 1% annual funding adjustments) poses significant challenges to Dalhousie. Its continuation can only mean that the percentage of the budget supported by government funding will continue to decline. This situation, with annual operating costs rising faster than Dalhousie's major source of funding, is inherently unstable.

In this environment, Dalhousie must find ways to support future enrolment growth and annual cost escalations and spending requirements (e.g. accessibility, IT and facilities infrastructure). The competitive market to hire quality faculty and staff members, together with the fact that compensation comprises such a great proportion of the University budget, makes it difficult for the University to trim costs further after decades of cuts to Faculty and service unit budgets.

This Committee believes it would be in the public interest if the Province implemented 3% annual increases to Dalhousie's funding (operating grant), matching the 3% tuition fee adjustments permitted under the MOU. Stable and adequate public funding is essential to the success and public mission of the University.

The Ad Hoc Committee has concluded that Dalhousie should pursue an approach to provincial funding that considers:

- Joint advocacy with other Nova Scotia universities for the common objective of increased core funding. Dalhousie and its peer institutions may each have unique reasons to secure additional funding.

- Dalhousie is distinct from other universities in several ways and funding that is responsive to these factors is in the public interest:
 - Dalhousie, which educates 42% of the Province’s university students, offers a much broader range of graduate and professional programs than other universities. These programs are considerably more expensive to deliver than undergraduate studies.
 - Dalhousie researchers do 82% of the research at Nova Scotia universities. Dalhousie’s marquee research capacity distinguishes the University.
 - Dalhousie has grown enrolment in the face of serious demographic challenges.
 - Dalhousie has established itself as a strong partner with the Province and contributes significantly to the Nova Scotia economy, aligning itself with public policy and provincial priorities.
 - Dalhousie’s cohort of graduate, IT and professional schools will be expected to make significant contributions to the Province’s knowledge economy. Today, virtually all our IT grads can find work inside the Province.
 - In addition, at a time when Provincial Government policy priorities include attracting talented immigrants, Dalhousie’s graduate schools are attracting international students who could help meet Nova Scotia’s need to recruit highly-educated younger immigrants.
- Dalhousie should work with the Province to find accretive provincial financial support which reflects its unique mission and contribution in the areas of graduate and professional education, research and service to the community.
- Dalhousie should be open to government initiatives through which savings are achieved and overhead and operating costs are reduced. Indeed, the universities themselves have a long history of cooperation and collaboration.

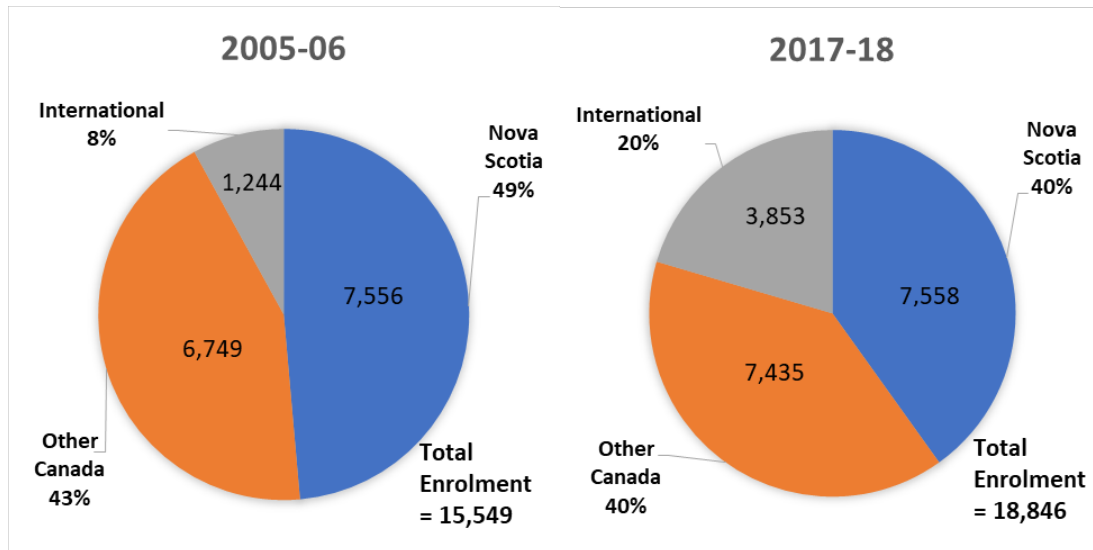
Recommendations

The AHC makes the following recommendations in support of a multi-track strategy regarding government funding:

1. Increase Dalhousie’s provincial base operating grant funding by \$31 million to \$248 million per annum between 2018-19 and 2023-24 (3% annual increases).
2. Dalhousie should work with the provincial government to identify and pursue accretive funding outside the terms of the MOU. Accretive funding is warranted as Dalhousie uniquely meets Nova Scotia’s needs in a range of teaching and research disciplines including the health care sector, information technology, oceans-research, engineering, and other fields.

TUITION REVENUE FROM ENROLMENT GROWTH

Since 2005-06, Dalhousie has overseen enrolment growth of 2,449 students (16%) (excluding growth related to the amalgamation with the former NSAC). Over this period, there has been a shift in student demographics; international enrolment has grown to 20.4% of enrolment in 2017-18 from 8% in 2005-06. This increased enrolment has provided additional revenue to the operating budget through increased tuition revenues.



Dalhousie's enrolment trend reflects the broader national experience; Statistics Canada reported overall growth in post-secondary enrolments of 19% between 2005-06 and 2015-16. During this period, international enrolments increased 54% across Canada.

Likewise, over the last four years of this reporting period overall enrolment has leveled off as it has at Dalhousie, with international enrolments growing by 27% to compensate for declining domestic enrolment. (The trend can be expected to continue. The current Grade 7 population in every Canadian province is between 6 and 15% lower than the current Grade 12 population.) As Dalhousie looks forward to the next five years it can be certain that student demographics will be very different from those of previous generations.

In addition, students will be highly mobile, and will seek to embrace the world in a more expansive way. They will be well informed, well connected, and will expect a personalized and high-value experience. From this ever more discriminating market, Dalhousie will need to attract enough students to meet its fiscal and strategic objectives.

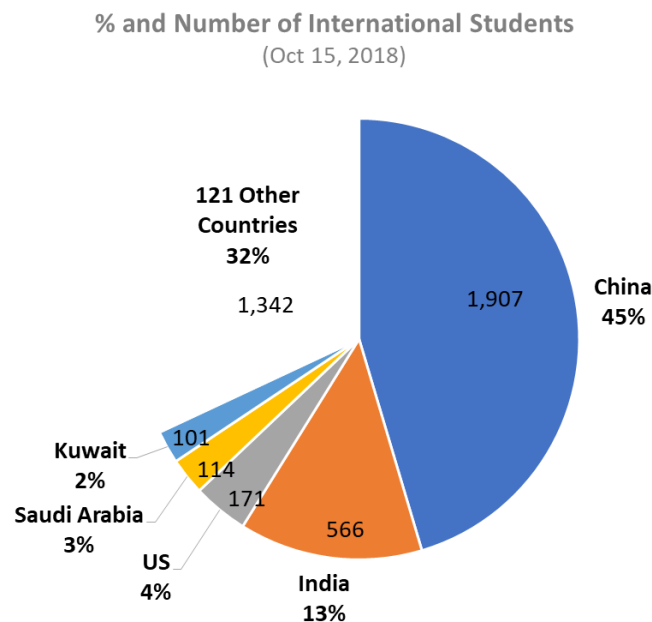
Non-demographic challenges are also emerging. High school graduates have more options available to them to achieve satisfying and rewarding careers. As baby boomers leave the workforce a less-populous generation will be expected to fill their shoes. At the same time, the impact of artificial intelligence on programming will be a wildcard – its impact will only be understood in the fullness of time.

Today's students view themselves as citizens of the world with a broad frame of reference. Many seek international exposure through experiential learning and through the increased diversity of the student population. In this environment, it will not be enough for Dalhousie to simply find the right number of students; the University will also need to ensure academic programming to meet student interests.

Discussion

The AHC has identified the following discussion points:

- Dalhousie’s students are the institution’s lifeblood in terms of both mission and finances. Since 2010-11, unrestricted operating grants have declined overall. Mainly due to enrolment growth, generating more than \$26 million in additional annual revenue, the University has managed to balance revenue and expenditures. Enrolment growth will continue to be an important means by which the University supports priorities and balances its budget.
- Each year the BAC reviews enrolment trends and projections and the impact on tuition revenues. The AHC believes a more proactive approach to managing enrolment will be important as Dalhousie moves forward.
- Student enrolment choices have favoured Engineering, Science, Computer Science and Health programs with growth averaging between 18% and 147% between 2005-06 and 2017-18. Over the same period Arts and Social Sciences enrolments have declined by 32% and more recently Science has also seen enrolment soften This has posed a serious challenge for these Faculties.
- In some Faculties and programs enrolment is limited by a variety of factors which means that in certain areas enrolment growth is more challenging or not possible. This underlines the need to approach enrolment management at the Faculty level.
- Lower domestic enrolments will likely mean greater reliance on international students to achieve growth targets. Dalhousie currently draws 4,200 international students from 126 countries. Enrolment has been focused in five countries as shown in the graph below:



This poses a level of risk, as global politics and diplomacy can impact a student's willingness and ability to attend Dalhousie or other Canadian universities. The incident in the summer of 2018 affecting Saudi Arabian students is clear evidence of this risk. Such factors need to be understood and plans should be put in place to mitigate sudden shifts in enrolment patterns.

- The AHC also understands additional supports should be provided to international students in addition to language training if Dalhousie is to be successful at attracting these students and supporting their success through to graduation.
- The University seeks to attract a diverse and inclusive student body reflective of the population and therefore wants to increase enrolment of underrepresented groups.
- The Committee has also heard that Dalhousie should attract more PhD students to deliver on its research mandate. A thoughtful and strategic enrolment management plan is integral to determining the appropriate mix of students including grads to undergrads, domestic and international students and PhDs compared with Master's students.

Growing enrolments will be essential to achieving the University's financial objectives over the next three to five years. Tuition revenue from growing enrolments will help Dalhousie deliver on its mission and achieve its strategic priorities.

Recommendations

The Committee recommends that:

3. The University develop a robust enrolment plan to manage growth. This plan should determine the appropriate mix of students and establish annual enrolment targets. A five-year growth target of 700 students or 4% would match the enrolment growth rate evident at the University since 2013-14.
4. Dalhousie should target international student growth to compensate for the soft domestic market. International enrolment growth averaging 8% per annum over the next five years (total 1600 students) would allow the University to achieve the overall growth of 4% in recommendation 3. This would increase the percentage of international students in the overall population to 29% from 22% - a similar rate of increase in the proportion as has been achieved in the past five years.

The overall increase in student numbers from the target in recommendation 3 and the change in mix of international and domestic students would generate approximately \$21 million in additional tuition revenue by 2023-24.

5. Individual Faculties should set specific enrolment targets to allow the University to deliver on its overall enrolment plan. The engagement of all Faculties is critical to success.
6. Investments in areas such as recruiting should help achieve enrolment targets.

7. A plan should be created to ensure Dalhousie has assets and resources (support services, classrooms, lab space, personnel) to accommodate increased international enrolment.
8. A risk assessment should be completed to identify mitigation efforts required to address unanticipated changes in international enrolment levels.
9. Programs should be developed and delivered to support the special requirements of international students.
10. The University should work with the Province to consider how to best align with provincial immigration and economic objectives.

TUITION AND STUDENT SUPPORT

One of the pillars of the University mission is to support the success of students through the delivery of high-quality educational programs. To deliver on this important part of its mission, Dalhousie requires stable, predictable and adequate revenue.

In the 2018-19 fiscal year tuition accounts for 40.6% of Dalhousie's revenues. This represents the second largest source of revenue to support the operating budget. The University operating budget also centrally allocates \$34.2 million in targeted financial support for scholarships, bursaries, and student employment. (Further financial assistance and student employment is allocated through Faculty and unit budgets)

Nova Scotia universities have a MOU with the Province that controls the level of tuition fee increases. (Tuition fee adjustments have been capped since 2005-06) The current MOU limits annual fee increases to 3% for Nova Scotia students in all programs except Medicine, Dentistry, Law and Graduate Programs.

In 2013-14 Nova Scotia universities were also provided a one-time opportunity to increase fees beyond the 3% cap for programs where tuition fees were comparatively low. While other Nova Scotia universities increased fees more broadly and boldly, Dalhousie implemented the higher fee increases for just three programs (Engineering, Agriculture and Pharmacy) and phased them in over 3 years to protect students who were already enrolled in these programs.

As governments have curtailed funding to universities across Canada, most institutions have been compelled to obtain an increasing proportion of their operating funds from tuition fees.

Not surprising, student leaders have reacted by voicing strenuous objections to this trend and have advocated for lower cost post-secondary education. They have persuasively argued for assistance for students who truly require financial assistance to gain access to post-secondary education.

The Ad Hoc Committee heard input from Dalhousie students who expressed two aspirations:

- Tuition fees should be frozen or reduced. Some students said a long-term goal should be free university education for all students.
- Students also advocated to eliminate barriers of access to education.

Discussion

The Committee concluded that unless there was a change in public policy the first aspiration cannot be achieved over the next five years.

It should be noted that this objective (frozen or reduced tuitions) focuses on the absolute cost to an individual student, not on the lifelong benefits that university education confers on alumni. University graduates experience better employment rates and significantly higher lifetime earnings, in comparison to others in the workforce.

At the same time, the Committee believes that Dalhousie has an important contribution to make to help reduce barriers to a university education. For some students, these are monetary barriers but there are other barriers that prevent qualified students from gaining access to a university education.

The Committee was particularly moved by a discussion about high school students in Nova Scotia who may qualify for admittance to university but for whom the possibility is not even considered. The Committee sees an important role for the University and Province of Nova Scotia in knocking down such barriers.

In addition to tuition restrictions set by the MOU, the University has long been guided by established policies, most recently updated in February 2014, that consider the following factors:

- The cost to deliver the program;
- Costs related to maintenance of high program quality;
- The proportion of the individual student tuition fees to the overall cost of delivering the program;
- Fees charged for similar programs at other Canadian universities;
- The demand for programs and impact of existing fees on enrolment;
- Inflationary cost increases for the delivery of the programs; and
- Limits to tuition and or increases set by the provincial government.

The Committee has reviewed the relationship of Dalhousie fees to tuition fees at other universities. (Readers interested in the most up- to-date information are directed to appendix E of the Budget Advisory Committee report, Report LVIII, Operating Budget Plan for 2019-20, which includes tuition fee comparative information.) The Committee draws the following conclusions from the comparative information:

- Relative to undergraduate tuition fees among Canadian universities, Dalhousie's fees for most programs are higher than the Canadian average.
- For Nova Scotia students, the fee is much closer to the national average after the Nova Scotia Bursary is applied. This provincially supported program automatically reduces fees for Nova Scotia students at Nova Scotia universities by \$1,283.
- International undergraduate tuition fees at Dalhousie are significantly under the Canadian average.
- Comparison of graduate school and professional fees to comparator universities is more complex as fees for these students are closely tied to scholarship support and the policies and practices of other universities are not transparent.

Recommendations

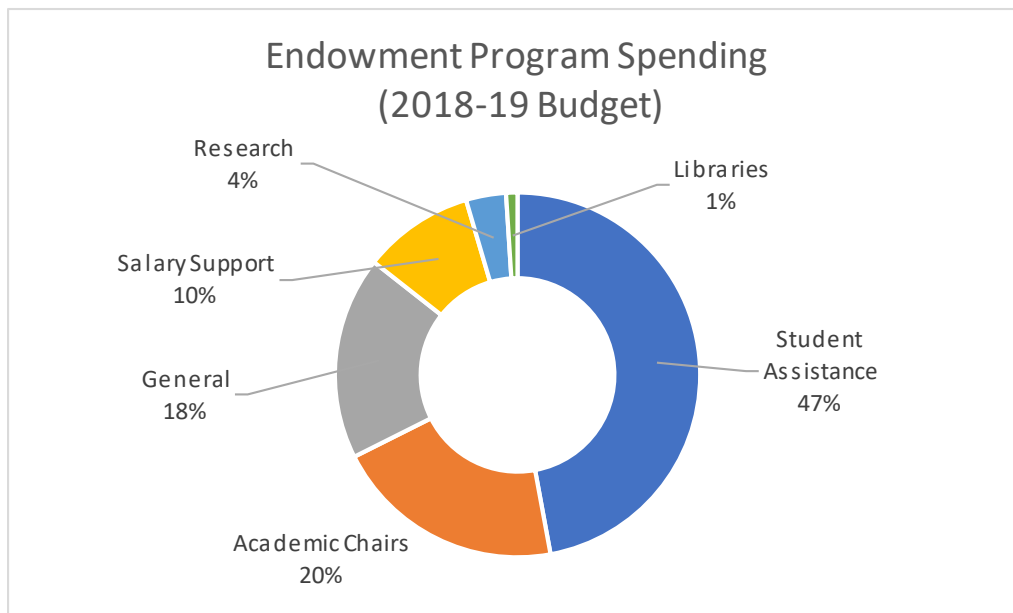
The Committee makes the following recommendations concerning tuition fee increases:

11. Tuition fees should continue to increase over the next five years and the following principles should be respected in setting tuition levels:
 - A balance should be struck between the public good of university education and the private benefits to students.
 - Dalhousie should strive to provide students with a quality education allowing graduates the opportunity to earn a significant rate of return on their investment in tuition. Dalhousie should continue to offer good value to its students if it seeks to remain a competitive alternative to domestic Canadian students.
 - Students should be provided with ready access to information about tuition to inform their choices about university programs.
 - Students should plan for normal annual tuition increases. If larger increases are implemented, the University should phase in or cap larger increases to cushion the financial impact on students where possible.
12. In light of the need for ongoing increases to tuition fees, Dalhousie should increase the allocation of assistance to support students who have the greatest need and those who would otherwise be unable to attend the University for financial reasons or other barriers to access.
13. The University should increase scholarship and bursary support as well as experiential learning opportunities for underrepresented communities as Dalhousie becomes more inclusive and diverse.
14. The University and Dalhousie Student Union should identify issues of common interest and seek opportunities to advocate jointly with the provincial and federal governments.
15. Given that Dalhousie's value proposition for international undergraduate students is competitive with other Canadian universities, Dalhousie should increase differential fees for international undergraduate students. If these fees were increased over a four-year period to an average of a national comparator group this would generate \$7 million in additional revenue to support University priorities.
16. Based on the stated interest in increasing PhD student numbers, a thorough study of fees and graduate student support should be completed.
17. Dalhousie should redouble its efforts to communicate the lifelong "value" and benefits of a university education. Currently, the public focus is on the costs of going to university.

ENDOWMENT REVENUE

Dalhousie University's core educational programming is funded primarily through tuition fees and the provincial government operating grant, which account for 90.3% of the operating budget. Spending allocations from endowments comprise 6.4% of the operating budget, making it the third largest source of revenue.

The Dalhousie University endowment (\$645.3 million as of June 30, 2018) provides support for student scholarships and bursaries, academic chairs and research. The principal supports annual program spending of \$24.2 million in many areas. The endowment's support of scholarships and bursaries helps the best and brightest; nurtures diversity and inclusiveness; enriches Dalhousie's overall culture; and enables academic success.



In general, donors specify that the gift principal be invested in perpetuity. Returns on the investment can be spent annually for the purpose specified by the donor. Donors typically expect their gifts will provide maximum support to their designated purposes, and not be used in pursuit of other interests.

Ideally, University endowments:

- Foster an environment of academic excellence where superior teaching, learning and research can be pursued.
- Enable the University to achieve an enhanced level of financial strength and independence in its operations.

The University has both investment and spending policies that ensure funding is available to support annual expenditures, while maintaining the long-term health of the endowment.

Discussion

Dalhousie should continue to focus on increasing available funding from endowments, to allow the University to pursue academic excellence and to support students. This is particularly important in a constrained government funding environment. In this era of restraint, endowment funding is being used not merely for its primary traditional purposes, but to underwrite salaries and for student financial assistance.

The Ad Hoc Committee believes the University has an opportunity to increase its endowment significantly. Among the U15 group of elite Canadian research universities, Dalhousie's endowment ranks 13th in size and ninth in dollar per full-time equivalent student.

The Committee believes endowment funding should be used more extensively to attract strong students. (It is axiomatic that the quality of a university's graduates is determined at the admission stage.) This led the Committee to conclude that Dalhousie should solicit endowment funding that enables the institution to attract gifted students, including those from diverse backgrounds, and those who require assistance to attend university.

A deepening commitment to student assistance might also help the academy align with student leadership. Indeed, the student representatives on the Committee supported the long-term objective of growing an endowment that would offer financial support to a greater proportion of students.

Recommendations

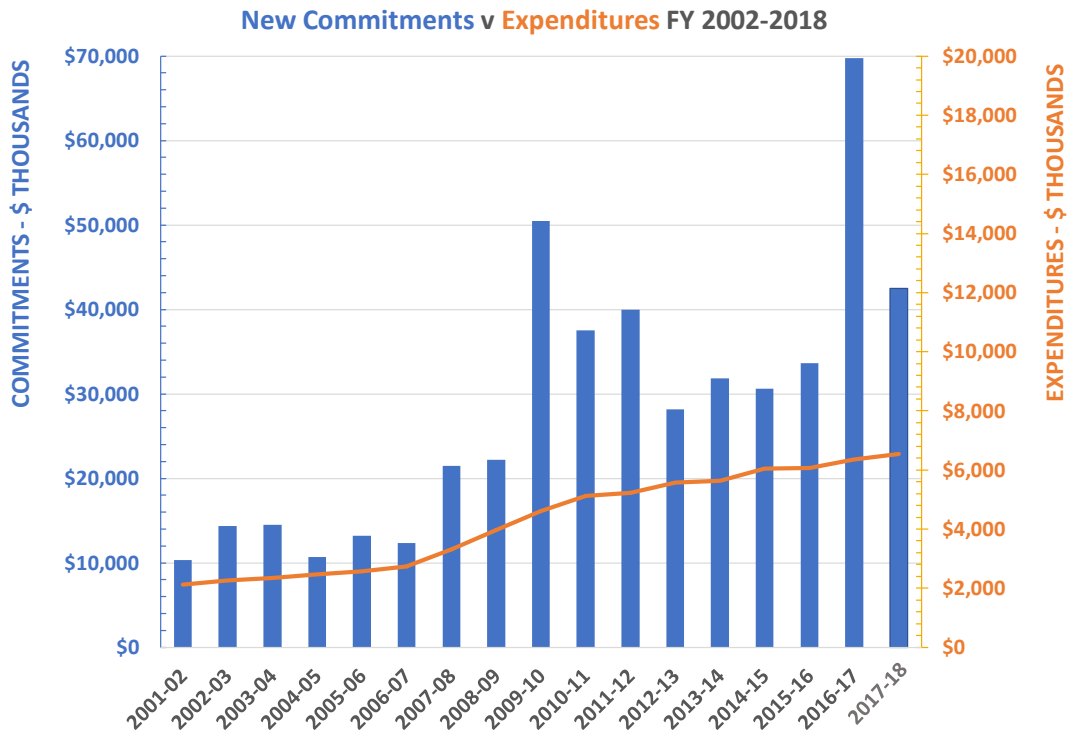
The Committee makes the following recommendations with respect to endowment support:

18. The University assess the appropriate balance between endowed gifts (support in perpetuity) and shorter-term gifts (more immediate impact) and ensure there is alignment between donor priorities and Dalhousie needs.
19. . Dalhousie should strive raise new endowed gifts of \$85 to \$100 million over the next five years. This target would allow Dalhousie to increase its new annual endowment support in 2023-24 by approximately \$4 million from its 2018-19 level. This stretch target exceeds recent experience of funding raised that goes to create endowments.
20. In concert with recommendation 12 and 13 on scholarship and bursary support, new endowments be sought to support students. If 45% of new endowed gifts supported awards focusing on students in need this would provide \$1.8 million per annum in additional support.

FUNDRAISING

It is the Committee's opinion that as Dalhousie pursues its mission to be "a leading innovative, research-intensive university, inspiring our diverse scholarly community to serve Nova Scotia, our region, our nation and our world", it should leverage the power of fundraising to deliver on its mission and positively differentiate itself from its peers.

As is illustrated in the chart below, the fundraising effort has netted more than \$376 million over the past ten years. These funds have contributed to student financial aid, academic programming and facilities improvements.



The University invested \$1.8 million to increase fundraising capability between 2007-08 and 2010-11 and as the chart shows this paid a handsome dividend. Advancement raised an average of \$36.7 million per year, nearly triple the annual amount raised before the investment. It is noted that as shown in the chart annual results will vary based on the receipt of larger transformative gifts in some years.

The Committee was advised that the opportunity exists to expand the solicitation of endowment funds and other fundraising. This represents a significant opportunity for the University, enabling sustained growth in funds raised over a multi-year period both through ongoing fundraising and the next campaign.

Recommendations

The Committee makes the following recommendation with respect to fundraising:

21. Dalhousie has successfully stepped up its fundraising effort over the past decade, and with additional resources committed should raise an average of \$45 to \$50 million per year between 2019-20 and 2023-24. This would represent a 30% increase over the previous five-year period. The University should continue to monitor the effectiveness of allocating more resources to fundraising, to ensure the returns justify the expenditure.

RESEARCH AND INNOVATION

As the only Atlantic Canadian University in the U15 group of leading Canadian research universities, Dalhousie stands out among its peers in the region. Dalhousie conducts 82% of the research in Nova Scotia and teaches 72% of full-time graduate students in the province. Through its 13 faculties, the University offers a wide array of graduate programming.

One example of the significant financial impact that research has made to the University and the region is the Ocean Frontier Institute (OFI). In 2016, OFI received the largest research grant ever given out in Canada, with an investment of \$94M from the Canada First Research Excellence Fund (CFREF). This was leveraged with partner and private contributions to enable OFI to become a \$220 million, world-leading hub of ocean research.

Similarly, the University hopes to act as a catalyst for Health in our region with the new Integrated Health Research and Innovation Strategy (IHRIS). This initiative brings together the government, the health authorities (NSHA and IWK), post-secondary institutions, and the private sector, positioning Nova Scotia as a hub for health and life sciences R&D, and innovation. The goal is to positively impact the health and health care of all Nova Scotians.

Dalhousie, its students and graduates have also played an important role in fostering an environment of innovation for contribution to the provincial economy through the Emera IDEA Hub, Creative Destruction Lab and other Sandboxes.

As these examples illustrate, supporting research and innovation activity and the education of graduate students are key elements of the University mission. Its research capacity and graduate faculties differentiate Dalhousie from other universities in the province and provide important benefits to the Province of Nova Scotia and the region. The University sees the recent efforts of the Province to support research through Research Nova Scotia and the Nova Scotia Research and Innovation Trust as encouraging and hopes that there will be continued progress to narrowing the gap in provincial funding to support research as compared with the U15.

The Committee has been investigating the impact of research on the University's financial model and makes the following observations:

- Grants and Contract Revenue from granting councils and other funders pay for the direct costs of the faculty member's research (\$112.2 million in 2017-18) including \$24.2 million in support to graduate students.
- There are currently 689 PhD students and there is interest in increasing this number with the goal of improving research capacity to enhance Dalhousie's reputation as a leading member of Canada's exclusive group of U15 research universities.

Recommendations

The Committee makes the following recommendations:

22. Given that world class research is fundamental to Dalhousie's operations and graduate students are integral to conducting research, the University should attract more graduate students in research-intensive faculties.
23. Pursue government/partner/industry support for its research efforts and to support graduate students.

24. Consistent with the Research and Innovation five-year strategic direction that was released in the fall of 2018, Dalhousie should attract increased awards by 5% annually or a total of \$31 million between 2019-20 and 2023-24.
25. Dalhousie should also make a concerted effort to increase research funding from industry by 25% over the next five years.

FACULTY AND UNIT REVENUES

In addition to core operating funding of \$417.2 million (2017-18), Faculties and units raise funds to support operations through various means, including premium fee programs and cohorts with external funding, continuing education programs, and ESL training. Faculty and unit revenues increased by 73% to \$91.3 million over the ten-year period ending in 2017-18. These revenues also allow Faculties to mitigate the impact of annual budget reductions and support new initiatives.

The Committee has observed that Faculties have been encouraged to seek alternative revenue sources that align within their principle responsibilities for teaching students and doing research. Efforts to raise money through alternative funding mechanisms will become increasingly important as competing institutions generate revenues outside of core funding. A culture that is forward thinking and supports the creation of new and relevant programs and pedagogy is crucial for Dalhousie's long-term success. In the view of this Committee seeking to innovate may also lead to financial benefit and this should be supported and encouraged.

It should not be ignored that there is also a risk in relying on revenues from supplementary sources. A good recent example is revenue supporting the education of Post Graduate Medical students from Saudi Arabia. This revenue represents an important contribution to the budget of the Faculty of Medicine, and the threat inherent in the possible loss of funds is significant.

Recommendations

The Committee makes the following recommendations:

26. Faculties and service units should be encouraged to aggressively pursue innovation and new and incremental revenue sources. A target of increased revenue generation of \$17.5 million over five years would provide a growth rate consistent with past performance.
27. The Committee recommends that Dalhousie pursue options to incentivize faculty and staff members for introducing initiatives or programs that bring in significant incremental revenues to Dalhousie. (e.g. Massive online courses, on the MIT model, come to mind here.) The University should embrace the future and support this type of incentive-based remuneration.

4. EXPENDITURE AREAS

COMPENSATION INCLUDING PENSIONS

The quality of education provided by any academic institution is directly tied to the quality of the faculty providing that education. Dalhousie has been successful in attracting a remarkable and diverse faculty which brings political, cultural, and ideological diversity to the University and the Province of Nova Scotia.

As Dalhousie moves into the future, one thing will not change – the need for exceptional faculty and high-quality students who are interested in learning from them. At its heart this means quality teaching, meaningful experiences, and learning that is measurable and relevant. The teachable moment, the intellectual exchange between instructor and student – is where the magic happens - or doesn't.

In a dynamic, rapidly-changing world, Dalhousie's ability to remain at the forefront of this challenge will be a major driver of success. In this context, the University should continue to recruit and retain a professoriate that embraces change and adaptation as it strives to deliver the rich and relevant educational experience that students demand.

As faculty and staff are keys to Dalhousie's success, it stands to reason that faculty and staff compensation represents the largest portion of Dalhousie's annual budget. Overall, this cost represents 70% of annual operating expenditures, and in some Faculties, it exceeds 90% of the budget.

Dalhousie's compensation to faculty and staff is largely based on negotiated agreements. Through this negotiation process an open discussion occurs that weighs the competitive alternatives available to employees. Dalhousie has acknowledged its need to remain competitive in this area so that it can attract and retain quality personnel. It is probable that overall compensation costs will continue to increase at a rate that reflects the competitive market.

Discussion

Over the course of the Committee's review there was discussion of a number of issues which merit the consideration of Dalhousie's management and Board of Governors. These include:

- The ability to continue to attract exceptional faculty and staff is a significant driver of institutional success. The Committee discussed the range of factors that candidates contemplate when considering coming to Dalhousie. Notable is the ability to offer competitive salaries and benefits including a pension plan. Many other factors influence a candidate as well such as opportunities to collaborate with research teams, lifestyle choices and the overall appeal of Halifax and the province, cost of living including housing, a diverse and welcoming community, and opportunities for the candidate's partner and/or family members.
- Faculty and staff compensation and benefits are the most significant university cost and much of the cost is fixed, with only a very small proportion that is scalable. This is a particular risk to the institution in Faculties where enrolment is declining.
- Regular renewal of the professoriate should be recognized as critically important with regard to recruiting the best faculty. With the end of mandatory retirement in 2010-11, faculty members are continuing to be engaged past the normal retirement age. In the academic culture, retirement does not normally signify a complete disengagement from one's professional career, and there is

no single formula for making the transition from a tenured appointment to a retired status. This is one factor that impacts the ability to hire new faculty.

- For forecasting purposes, one can expect that the cost of annual increases in faculty and staff compensation will exceed the annual increase provided by the government grant in recent years. Although compensation is the most significant university cost, the need to invest in this area should be balanced with the need to support other university costs such as student assistance, teaching and research, and the upkeep and renewal of facilities.
- 3,000 Dalhousie faculty and staff are eligible for a defined benefit pension plan. The Committee has discussed the financial implications of the plan in detail including the following points:
 - The pension plan is an important part of academic recruiting, as 11 of the U15 universities offer similar pension benefits.
 - The plan is a substantial cost item to the University.
 - Employees contribute 8.06% of their annual pensionable earnings to the cost of their pension.
 - The University currently funds 10.4% (9.31% for current service cost plus a further 1.09% as required for deficit reduction) for a total cost of approximately \$25.9 million to Dalhousie.
 - Funding for the plan is determined by regular actuarial valuations that are currently required annually. The funding level determined by the annual valuation is largely driven by market results and can be volatile. The employee portion of the cost is fixed whereas the employer portion contributed by the operating budget is not. The downside risk of market volatility therefore rests with the operating budget.
 - Revisions to the plan require approval of four employee groups, and hence a collaborative effort is required. An encouraging development was the agreement to amend the Plan's interest crediting rate applied to member balances. This removes a significant and volatile cost burden from the Plan, while leaving the members with the same defined pension benefit.
 - The plan has a unique two-fund structure and changes to the structure are currently being explored which would improve funding security for future retirees and reduce operating budget uncertainty.

Recommendations

The AHC makes the following recommendations pertaining to faculty and staff compensation:

28. Continue to develop and monitor measures to ensure Dalhousie attracts excellent faculty.
29. Faculty renewal is an important factor in success as an institution and planning at the Faculty level should be encouraged and supported. Dalhousie should support opportunities for faculty members to transition to retirement.
30. Explore further revisions to the pension plan in a timely manner that reduce the level and volatility in annual employer contributions.

FACULTY AND SERVICE UNIT BUDGETS

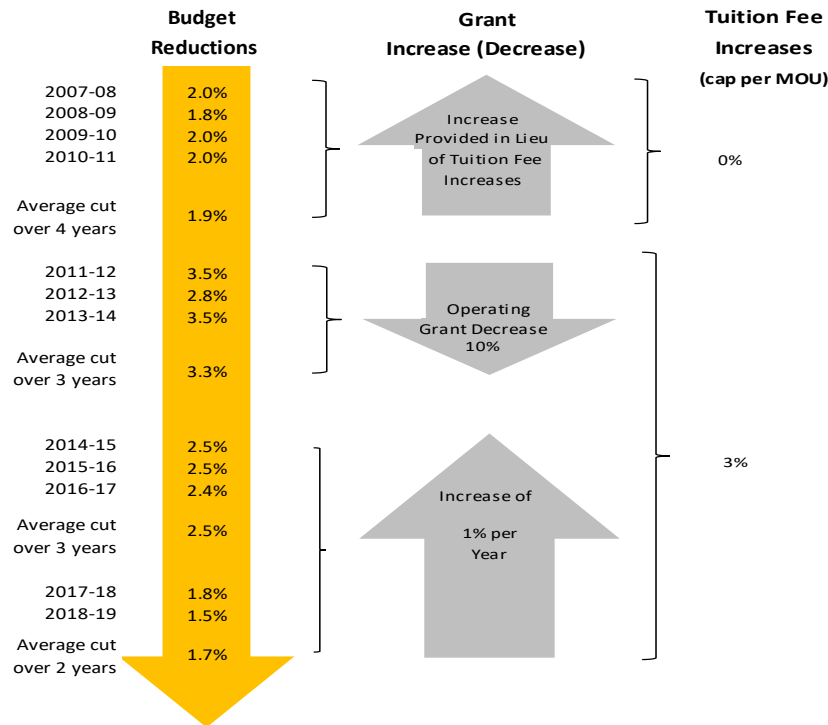
Some University costs are managed centrally such as utilities, facilities renewal and most student assistance. However, the University's decentralized budget structure allocates 78.5% of the University budget to Deans and heads of major service units. The Deans and heads of major units are accountable to deliver on the University's mission and identified priorities with allocated resources.

Faculty and Unit budgets allocations are increased each year by adjustments for faculty and staff compensation and for non-salary increases. These allocations are then decreased by base budget reductions (calculated on the prior year base) applied as one measure to balance the University budget. Also applied is a net increase to Faculty budgets through Enrolment Related Budget Adjustment (ERBA) distributions based on changing enrolment levels. Since implementation three decades ago, ERBA has distributed \$21.7 million to Faculties. (Appendix C of the 2019-20 University Operating Budget report provides a breakdown by Faculty since 2002-03.) After all adjustments are considered Faculty and service unit budgets have increased by an average of 4.1% per year or \$91.3 million since 2007-08.

Although budgets continue to increase each year Deans and service unit managers are challenged to trim overall costs to address the above noted budget reductions. Deans and heads of service units determine how best to address the reductions within their Faculty or unit. The measures to address budget reductions since have totaled \$57.9 million over the last 10 years (2009-10 to 2018-19) in apparent conflict with overall growth in the budget. Expenditures increase each year, but University revenues are not sufficient to cover the full costs increase leaving a gap which must be addressed internally by Faculties and units.

In 2018-19, Faculties and units reported salary savings through delaying hiring, salary savings on faculty replacements after retirement, restructuring support positions to meet needs at lower costs, and identifying shared support arrangements with other departments. They also reported reducing non - salary costs such as externally contracted services and reducing postage and mailing and other such costs through use of technology. In some cases, Faculties were able to increase other revenues or cost recoveries through new partnerships and ERBA allowed them to partially offset cuts.

The following chart shows the history of such cuts and the relationship to government grant and fee increases over 12 years. The requirement to cut budgets of Faculties and units has put stress on the budget process for decades.



The Committee observes the following:

- Faculty and Unit budgets have grown significantly over the years but the real increase in purchasing power is limited as costs, mostly driven by negotiated salaries, have risen more quickly than budget allocations due to the impact of the required annual budget reduction.
- As compensation is largely fixed, Faculties and units have diminishing flexibility to address annual budget challenges. This means there is a limited ability to invest in innovation and existing services are pressured.
- The previous provincial government reduced operating grants by 10% over three years (2011-12 to 2013-14) and during this time and in the following three years, budget reductions applied to Faculties and Units were necessarily larger than usual, averaging 2.9 %.
- Cuts in 2017-18 and 2018-19 have been lower, averaging 1.7%. The BAC recommended setting cuts at more sustainable levels subject to the ability to secure sufficient revenue to meet expenditures.
- Faculties with increasing enrolments have received additional monies through the ERBA formula, which has enabled them to support increased costs. This may also help them mitigate the impact of the annual budget reductions.
- At the same time, Faculties with decreasing enrolments have been challenged to manage budget reductions, as it is difficult to scale costs which are largely fixed.

Recommendations

The AHC makes the following recommendations on Faculty and unit budgets:

31. The Committee concludes that after decades of budget reductions a continuation of reductions is not sustainable at the level experienced in recent years and recommends that lower budget reductions be prioritized with a goal to limiting budget reductions to 0.5% per year for the next five years.
32. The University continue to provide for strategic investments not only to maintain relevancy but to remain adaptable.
33. Faculties should be encouraged to prioritize new initiatives and review existing programming to ensure it continues to be relevant.

INFRASTRUCTURE COSTS (FACILITIES AND IT)

When the Financial Planning Committee last reported on financial affairs, in 2005-06, the University had 96 buildings and managed a total of 4.9 million square feet of space. In 2017-18, the University manages 162 buildings and approximately 5.8 million square feet of space, with an insured value of \$1.7 billion in 2018-19. Most additional buildings were acquired through the merger with the Nova Scotia Agricultural College in 2013-14 but nine new buildings have been constructed since 2005-06.

In 2014, the University established a Capital Projects Governance Policy. The policy establishes the governance structure for the management of Capital Projects, allowing for appropriate oversight and accountability. The University also completed Campus Master Plans for the Halifax (2010) and Truro (2012) campuses.

In 2005-06, the University had been investing \$7.8 million in annual renewal of facilities. As recommended by the last Board review, the University has increased funding to renew facilities annually since that time (\$22.8 million in 2018-19). The 2005-06 Committee did not, however, address IT needs specifically but in 2018-19 the importance of investment in the renewal of technology is heightened. There are increasing demands for network and wireless services, and updates to pedagogy-impacting technology. Finally, cyber security is a key risk area that needs priority attention. Information Technology Services has developed a multiyear plan to address these and other issues.

Dalhousie also recognizes the needs to make its buildings and facilities more accessible, by removing barriers to individuals with disabilities, consistent with the Accessibility Act of 2016.

Recommendations

The University should continue to identify budget resources to renew capital and IT infrastructure and the Committee makes the following recommendations:

34. University management prepare a report on the status of the University's deferred maintenance including a recommendation on the annual facilities renewal budget. The report should be reviewed by the Board Capital Projects and Facilities Committee.

35. Through the Capital Projects and Facilities Committee, the University should explore opportunities to leverage the University's infrastructure, including assessing space utilization.
36. The University should report on technology and infrastructure needs to support teaching and research. Deans should evaluate future technology and space needs.
37. The University should develop a funding plan for implementation of the Accessibility Act on Dalhousie campuses. This plan will be guided by the new standards which are expected to be introduced soon under the Act.